

MCLEAN ELECTRIC COOPERATIVE, INC.

May 26, 2016

The May meeting of the Board of Directors of McLean Electric Cooperative, Inc., was held at the company's headquarters in Garrison, North Dakota, on the 26th day of May, 2016. The meeting was called to order by President Alvin Myers, who is presiding over his final regular board meeting as he is not running for re-election in the annual upcoming meeting, at 8:40 o'clock a.m.

Directors present:

Clarence Behles
Larry Gessele
Darcy Klain
Alvin Myers
Troy Presser
Thomas Sheldon
Rod Stockdill

Also present were Manager Martin D. Dahl and Attorney David A. Lindell.

A motion was made by Presser and seconded by Klain to approve the Consent Agenda which consisted of the minutes of the April 28, 2016, board meeting, additional agenda items, review of director's checks, and approval of the membership and service applications. The motion carried.

The estates of Gordon Hill, Duane Flick, David Mehlhoff, John Kolden, Jr., Norlan Nelson, and Mary Lushenko, were presented for capital credit retirement. A motion was made by Behles and seconded by Sheldon to approve the retirement of the capital credits. The motion carried.

The board discussed REPAC candidate contributions with no action taken.

STAFF REPORTS:

1. Business Department - Brett Holtz. Items discussed and actions taken during the Business Department Report were as follows:
 - a) Provided the Financial Report for the Cooperative, which included the KWH usage and revenue for April 2016, review of the April 2016, Form 7, and financial ratios for April, 2016.
 - b) Provided a Human Resources update. He reported that Steve Hasenwinkel has been hired as a part-time grounds maintenance person.

- c) Provided an RUS loan update.
 - d) 2015 Audit Report review. A motion was made by Presser, seconded by Stockdill, to approve the 2015 audit. The motion carried.
2. Engineering Department - Scott Iverson. Items discussed and actions taken during the Engineering Manager's Report were as follows:
- a) Provided a SCADA update. He reported that the Roseglen and Garrison substations are fully connected with more work necessary for the Raub sub.
 - b) Reported that the Cooperative's internet is being upgraded.
 - c) Provided a mapping system update.
3. Operations Department - Keith Thelen. Items discussed and actions taken during the Operations Department Report were as follows:
- a) Provided a May work load/work plan update.
 - b) Provided a contract labor update.
 - c) The board acknowledged the minutes of the April 27, 2016 safety committee meeting.
 - d) Provided the 2015 inventory report. Electrical material was under \$3,369.44 and merchandise was under \$4,939.21 for a total of 1.4% of inventory for the year. A motion was made by Behles, seconded by Sheldon, to ratify the material inventory adjustment as reported. The motion carried.
 - e) Discussed the cabin cost share program to implement for the cabin sites within Cooperative territory.
4. Manager's Report - Martin D. Dahl. Items discussed and actions taken during the Manager's Report were as follows:
- a) Provided an RDFC meeting report.
 - b) Provided a North Dakota Missouri River Advisory Council meeting report.
 - c) Provided a report of his attendance at the NRECA Legislative Rally with Stockdill.

- d) Provided a member services update.
- e) National Cooperative Services Corporation (NCSC) delegate election. A motion was made by Presser, seconded by Behles, to nominate Rod Stockdill as delegate. The motion carried. A vote for each incumbent director will be made by the Cooperative for its upcoming election.
- f) Office furniture search update. A motion was made by Klain, seconded by Stockdill, to provide Manager Dahl with a \$3,500.00 budget for new furniture in the Manager's office. The motion carried.
- g) CFC Integrity Fund participation. A motion was made by Presser, seconded by Sheldon, to authorize CFC to deduct 5% of the Cooperative's CFC Patronage Capital refund for 2016 and donate said funds to the CFC Integrity Fund. The motion carried.

REPORTS ON MEETINGS ATTENDED:

- 1. Statewide - Stockdill
- 2. Central Power - Presser
- 3. Basin Electric - Presser

UPCOMING MEETINGS:

- 1. The 2016 Annual Meeting is set for Tuesday, June 21, 2016, in Garrison, North Dakota.
- 2. The next regular board meeting is scheduled for Monday, June 27, 2016, at 8:30 a.m.

There being no further business, upon a motion made and carried, the meeting was adjourned.

Secretary